

# MAINE STATE LEGISLATURE

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R. S.

L.D. 1815

DATE: 3/11/94

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TAXATION

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
116TH LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1349, L.D. 1815, Bill, "An Act to Amend the Tree Growth Tax and Open Space Voluntary Withdrawal Laws"

Amend the bill by striking out everything after the title and before the statement of fact and inserting in its place the following:

**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** Public Law 1993, chapter 452 made significant changes to the tree growth and open space tax laws affecting owners of small woodlots and small parcels of land; and

**Whereas,** these changes have created confusion and misunderstanding and require further study and clarification; and

**Whereas,** the current law requires certain landowners with fewer than 100 acres to declare their intentions as to whether to stay in tree growth, transfer to open space or withdraw from the program by April 1, 1994; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

**Be it enacted by the People of the State of Maine as follows:**

**COMMITTEE AMENDMENT**

R. d. S.

2        **Sec. 1. 36 MRSA §574-B, sub-§1**, as amended by PL 1993, c. 452,  
§3, is further amended to read:

4            **1. Forest management and harvest plan.** A forest management  
and harvest plan has been prepared for the parcel and updated  
6 every 10 years. The landowner shall file a sworn statement with  
the municipal assessor in a municipality or the State Tax  
8 Assessor for parcels in the unorganized territory that a  
management plan has been prepared for the parcel. A landowner  
10 with a parcel taxed pursuant to this subchapter on September 30,  
1989 has until April 1, 1999 to comply with this requirement and  
12 until the plan is prepared or April 1, 1999, whichever is  
earlier, ~~will be~~ is subject to the applicability provisions under  
14 this section as it existed on April 1, 1982.

16 A landowner with a parcel taxed pursuant to this subchapter for a  
property tax year beginning before April 1, ~~1994~~ 1995 when the  
18 parcel was less than 100 acres and the sole use of the land was  
harvesting of trees for personal use shall:

20            A. By April 1, ~~1995~~ 1996, file a sworn statement that a  
revised management plan has been prepared for the parcel of  
22 forest land;

24            B. Apply for classification under the open space laws  
pursuant to section 1106-A; or

26            C. Notwithstanding section 581, withdraw from tree growth  
classification pursuant to this paragraph for the ~~1994~~ 1995  
28 tax year.

30  
32            For withdrawal from tree growth classification under this  
paragraph, the entire parcel subject to that classification  
34 in 1993 must be withdrawn from classification for the ~~1994~~  
1995 tax year. Persons electing to withdraw under this  
36 paragraph shall notify the assessor before April 1, ~~1994~~  
1995 and pay a penalty equal to the taxes that would have  
38 been assessed on the first day of April for the 5 tax years,  
or any lesser number of tax years starting with the year in  
40 which the property was first classified, preceding ~~sueh~~ that  
withdrawal had ~~sueh~~ the real estate been assessed in each of  
42 those years at its fair market value on the date of  
withdrawal less all taxes paid on that real estate over the  
44 preceding 5 years and interest at the legal rate from the  
date or dates on which those amounts would have been  
46 payable. ~~If there is a change in use of the property before~~  
~~April 1, 1999, an additional penalty must be assessed equal~~  
48 ~~to the difference between the back taxes paid under this~~  
~~paragraph and the amount that would have been assessed if~~

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~~the land had been withdrawn on April 1, 1994 under section 581 plus interest at the legal rate from April 1, 1994. The procedure for withdrawal provided in this paragraph is intended to be an alternative to the procedure in section 581;~~

**Sec. 2. Committee study.** A subcommittee of the Joint Standing Committee on Taxation must be appointed by the committee chairs to study and review the changes made in the tree growth and open space laws in Public Law 1993, chapter 452. All committee members must be appointed by June 1, 1994. Committee membership must include representatives of the Legislature, owners of small and large parcels of land, municipal assessors, the forest product industry, municipal government, the Department of Conservation, the Bureau of Taxation and other individuals and organizations interested in tree growth. Staff assistance, including assistance in preparing any recommended legislation, may be requested from the Legislative Council.

The subcommittee shall report to the joint standing committee of the Legislature having jurisdiction over taxation matters any recommendations that the subcommittee believes would improve the tree growth and open space laws by November 1, 1994. The joint standing committee of the Legislature having jurisdiction over taxation matters may report any necessary implementing legislation to the First Regular Session of the 117th Legislature. Members of the subcommittee are not entitled to per diem or expenses for participation in this study.

**Emergency clause.** In view of the emergency cited in the preamble, this Act takes effect when approved.'

### STATEMENT OF FACT

The amendment replaces the bill and adds an emergency preamble and an emergency clause.

This amendment provides a one-year extension for certain landowners with fewer than 100 acres to declare their intentions as to whether to stay in tree growth, transfer to open space or withdraw from the program. This amendment also changes the tree growth laws enacted in Public Law 1993, chapter 452 by eliminating the additional penalty imposed on landowners who withdraw from the tree growth program and change the use of their property before April 1, 1999.

The amendment also authorizes the joint standing committee of the Legislature having jurisdiction over taxation matters to

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2 study and review the changes made in the tree growth laws in Public Law 1993, chapter 452 and submit any necessary legislation to the First Regular Session of the 117th Legislature.